

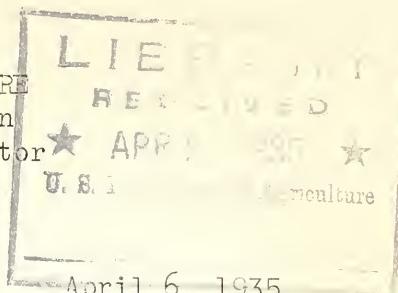
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UNITED STATES DEPARTMENT OF AGRICULTURE  
Agricultural Adjustment Administration  
Alfred D. Stedman, Assistant Administrator  
Director, Division of Information,  
Washington, D. C.



No. 73

April 6, 1935

To Editors of Farm Journals:

The following information is for your use.

*DWitt Wing*  
DeWitt C. Wing,  
Specialist in Information.

#### PROCEDURE FOR EXCHANGING COTTON TAX-EXEMPTION CERTIFICATES

Careful supervision of the exchange of Bankhead Act cotton tax-exemption certificates carried over from the 1934 season for certificates to be used in 1935-36 is planned by the Agricultural Adjustment Administration. All exchanges must be made through the offices of county assistants in cotton production, it has been announced. New certificates will be accepted by collectors of internal revenue in payment of the ginning tax on cotton from the 1935-36 crop.

Printed forms on which producers holding 1934-35 certificates may apply for their exchange for 1935-36 certificates will be available in the offices of county assistants in cotton production within a few weeks. These applications will be handled entirely through the county assistants' offices where full information regarding Bankhead Act allotments to producers in their respective counties is available. Applications for exchanges that are recommended by the county assistants will be forwarded to the Agricultural Adjustment Administration in Washington for approval. When an exchange is approved in Washington, the county assistant will deliver the new certificates to the producer.

Tax-exemption certificates issued in exchange for the 1934-35 tax-exemption certificates will be of a distinctive type and color in order to facilitate identification. They will be distributed, in most cases, before the regular 1935-36 tax-exemption certificates are sent to the field. A complete record of all exchanges approved will be kept in both the local offices and in Washington.

The "exchange" certificates may be used by producers to secure bale tags for 1935-36 cotton in exactly the same way as the new 1935-36 tax-exemption certificates may be used. The "exchange" certificates to which a producer may be entitled will be in addition to his proportionate share of the 1935-36 tax-exemption allotment of 10,500,000 bales.



AMENDED MILK LICENSE FOR NEW BEDFORD, MASS.

An amended milk license for New Bedford, Mass., has been completed by the Agricultural Adjustment Administration and signed by Acting Secretary of Agriculture Rexford G. Tugwell on April 5. It became effective April 6. The fundamental changes brought about by the amended license, which were recommended by the New Bedford Milk Producers' Association, are the placing of a restriction on distributors which obliges them to pay the Class 2 or cream price for all milk purchased from new producers during a 90-day probation period, and a redefinition of the price for Class 2 milk so that it conforms to the competitive situation.

The 90-day clause for new producers is believed necessary to deter distributors from buying milk from intermittent producers who are not assuming the obligations of the majority of producers on the market in regard to maintaining a reasonably uniform and regular supply. This is of special significance as the season of greater relative production advances.

Records kept on the New Bedford market indicate that there has been no unusual increase in milk supplies. The higher cost of feed has tended to discourage increased production, as the index of cost on ten important purchased feed items shows a 26 percent advance between March, 1934, and February, 1935.

The amended license restates the Class 2 price, changing it from \$1.40 per 100 pounds of milk to the open market competitive price of sweet cream in Boston, because the cream production of New England in general is in competition with imported cream from butterfat producing areas. Placing the Class 2 price of milk on a competitive basis results in a greater use of locally produced milk for cream purposes because in such a case there is no advantage in paying transportation charges to secure outside cream.

The formula contained in the amended license for Class 2 milk is 3.7 times the average price per pound of butterfat in cream of bottling quality as calculated by the Market Administrator from the weighted average price at Boston of 40-quart cans of such cream testing 40 percent butterfat, plus 11-1/2 cents per 100 pounds of milk. This is the same method used in stating the Boston Class 2 milk price.

The amended license also provides that in addition to the privilege of creating a milk industry board composed of producers, consumers and distributors, the Secretary of Agriculture may name an advisory committee composed of equal representation of producers and distributors. The duties of such advisory board would be connected with marketing, distributing and financial problems arising under the license.



### MILK LICENSE FOR TUCSON, ARIZONA

A milk license for the Tucson, Arizona, sales area has been approved by the Agricultural Adjustment Administration. It was signed April 3 by Acting Secretary of Agriculture Rexford G. Tugwell and will become effective April 16.

Although the cost of production in this irrigated region is high, it was not deemed advisable to increase the basic prices to producers beyond the level which has been in effect since December, 1934, because of rather unfavorable conditions of consumption in the area. The hearing on which the license is based was held at Tucson in December, 1934, at the request of the Santa Cruz Valley Dairy Producers' Association.

With the schedule carrying a Class 1 price of 70 cents a pound of butterfat, or about \$2.30 on milk testing 4 percent butterfat, the minimum prices payable to producers for Class 2 milk, to be used for cream, flavored milk, and cottage cheese is 55 cents a pound of butterfat, and the price of Class 3 milk, used for all other purposes, is based on the wholesale price per pound of 92 score butter at Los Angeles, plus a premium of 3 cents a pound of butterfat.

According to the license, distributors will report the volume and value of their milk purchased from producers to the market administrator appointed by the Secretary of Agriculture, using the prices named in the license by classes. The market administrator will distribute the returns on a straight blended pool price to producers, as no base and surplus market method of payment to producers has ever been used in the Tucson area. All prices are on the f.o.b. basis at Tucson plants, as there are no country stations receiving milk at outlying points from producers.

The Tucson licensed area is to be included in the sales area of Phoenix for supervisory purposes, and John S. Malone, administrator for the Phoenix area, has been named to supervise the Tucson market, also. The expense of supervisory work and handling the pool will be provided by a deduction of 3 cents per 100 pounds of milk delivered by all producers and producer-distributors. Special market services, including information, checking of tests and weights and limited guarantee against default by dealers in payments for milk, will be deducted from producers not receiving such services from established cooperative marketing units, at a maximum rate of three cents per hundredweight of milk delivered by them. The services to non-members of cooperatives may either be furnished by the market administrator's office or a special agency may be delegated to perform the work in his behalf.

In case the fund ever reaches a point more than sufficient to meet expenses, the administrator may waive the payment in any given period or pro rate the balance in the fund back to the original subscribers. Regular audits of the market administrator are provided for in the license, and the books and records of distributors are to be open for confidential inspection in order to verify, if necessary, the reports made on volume and value of milk, and for other purposes to effectuate the license.



There are no minimum or other resale prices fixed in the license for dealers to charge consumers. The prescribed sales area named in the license consists of Tucson proper, Ft. Lowell, Condron Pastime and San Xavier, all in Pima county, Arizona, with a consuming population of about 35,000 persons. The area is linked somewhat to Phoenix at certain periods of the year in its milk supply. The city operates under a modified United States Public Health Service regulation for milk supplies, and the ordinance is strictly enforced, both on milk and cream.

Economic data supporting the license indicate that normally about 20 percent of the gross income of Arizona farmers is derived from milk.

Records further substantiate that between 1929 and 1934 the price of butterfat to producers declined by about 46 percent while prices which farmers paid for things they buy declined only about 19.6 percent. This has resulted in a material reduction in the purchasing power of adjacent producers in the territory, with resultant loss of industrial employment.

The license provides in addition that the market administrator may make adjustments in the prices to be paid for Class 1 and Class 2 milk which is sold outside of the established sales area, including Government institutions.

In regard to milk of producer-distributors, as in other milk licenses, the license excludes all the ordinary volume of milk produced and sold from the same farm from the requirements of the pool. In case any producer-distributor buys milk from another producer he is obliged to report it to the administrator and it is then ratably apportioned by classes and accounted for at the respective classified prices. Milk sold in bulk by a producer-distributor to another distributor operating a bottling or pasteurizing plant must be accounted for to the administrator as Class 3 milk at the Class 3 price.

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#### FT. WAYNE MILK LICENSE VIOLATION

On the grounds that the company has violated the terms of the existing milk license for Fort Wayne, Indiana, through refusal to pay the minimum prices stated in the license for milk purchased from farmers, as well as by failing to make the required regular reports of volume of purchases and sales or the required deductions contributed by producers for mutual market services, the Secretary of Agriculture has issued an order requiring the Allen Dairy Farms, Inc., of Ft. Wayne to show cause why the matter should not be referred to the Department of Justice with a request for the Attorney-General to take appropriate action. The order of the Secretary requires an answer to the complaint on or before April 9.

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## HAWAIIAN SUGAR PRODUCTION ADJUSTMENT CONTRACT APPROVED

Secretary of Agriculture Wallace has approved a sugarcane production adjustment contract for the Territory of Hawaii, covering the three-year period 1935-1936-1937, and providing for adjustment of production from approximately 1,150,000 tons (estimated production in 1934) to about 975,000 tons.

The contract, which representatives of Hawaiian producers agreed to enter into in a Memorandum Agreement made with the Secretary of Agriculture and signed December 22, 1934, formulates in detail the general principles of that agreement. It is based, also, upon evidence submitted at a public hearing held in Honolulu January 31, 1935. The inauguration of the sugar production adjustment program in Hawaii will bring the last major sugar producing area supplying the United States into the general sugar adjustment program undertaken by the Agricultural Adjustment Administration under the Jones-Costigan Amendment to the Agricultural Adjustment Act. Similar programs are now in effect for continental sugar beet and sugarcane producers and in Puerto Rico and the Philippine Islands.

Under the contract production of sugar in the Territory is to be held to the amount necessary to fill the quota established by Congress under the Jones-Costigan Act, to provide for local consumption, and to establish a reserve. Adjustment payments are expected to average approximately \$8,000,000 annually for the three years of the contract.

The contract is to be offered to the 39 plantations producing sugar in Hawaii, and small planters under contract with these plantations will sign supplementary agreements which will make it possible for them to share in the benefits of the program. The signers of the contract will receive adjustment payments and they, in turn, will pay the small planters the share due to them. The plantations agree to make necessary reduction in sugarcane production on the plantation land and not on that of the small planters, except under special circumstances stated in the contract. The contract also contains a number of provisions to assure protection of the interests of the small planters.

The contract covers, in general, the crop years 1935, 1936, and 1937. The expiration date is May 9, 1937, which is the same as the expiration of the Jones-Costigan Amendment.

In connection with the approval of the adjustment contract, the sugar section of the Agricultural Adjustment Administration announced tentative results of the investigation into the importation and receipt of sugar from sugar producing areas in the "most representative years" on the basis of which quotas are established under the Jones-Costigan Act. This investigation was indicated in the statement made on May 31, 1934 by Acting Secretary Tugwell, when the 1934 quotas were established, that the Department of Agriculture might be able to revise and refine certain data used in determining the quotas as it accumulated data not available at the time the original quotas were determined. On the basis of this investigation the tentative results indicate that the Hawaiian quota would be approximately 32,000 tons greater than the quota originally determined. Final adjustments of the quota are to be made when the data obtained in the investigation are verified.



The adjustment contract is similar to that developed for sugar adjustment programs in other areas, with special adaptations for the conditions under which sugar is produced in Hawaii. All Hawaiian sugar is produced by 39 plantation companies, and these companies grow or control the growing of substantially all cane. Approximately 90 percent of the cane is grown by the plantations on their own or leased land, and the remaining 10 percent is grown by growers who contract with the various plantations. There are nearly 4,000 of these small growers, known in the contract as "adherent planters".

The contract has been drafted for signature by the 39 companies or "plantation-producers", and the adherent planters will be asked to sign supplementary agreements to abide by the sections of the contract which apply to them. The plantation producers who sign the contract will receive the adjustment payments and they will be obligated to hold part in trust to pass on to their adherent planters that share to which the planters are entitled, based on the amount of sugar they produce.

Important objectives of the Hawaiian sugar adjustment program are: (1) To increase the purchasing power of all producers of sugarcane in the Territory of Hawaii; (2) to restrict the production of sugarcane to an amount which will result in sugar production not in excess of the Hawaiian quota, plus local consumption and emergency reserve; (3) to insure to planters adherent to the principal plantations, a fair return for sugarcane grown, without disrupting existing plantation-planter relationships; (4) to insure to adherent planters, that they will not be obliged to reduce their cane production, except under the circumstances described in the contract, and that they will participate in the adjustment payments received by the plantations; (5) to prevent any increase in the proportion of cane produced by the plantations at the expense of the small planter.

Trustees of the Hawaiian Sugar Planters' Association, in a letter to Secretary Wallace, have assured him that the plantation-producers executing the contract "will endeavor in good faith to bring about the reduction in production required by the contract in such manner as to cause the least labor, economic, and social disturbance and it will be their policy not to reduce the number of workers employed on their respective plantations by reason of such reduction in production or because of any provision of such contract, except as such number may be reduced by workers voluntarily leaving their employment."

Plantation-producers who sign the contract agree that they will bring about the entire reduction necessary on plantation land and will not reduce sugarcane taken from adherent planters, except where this is impracticable and then only by agreement with adherent planter. The adherent planter will receive additional compensation for such reduction. The reduction on each plantation is left to the management of the plantation manager, subject to review by the Secretary of Agriculture. The plantation-producers agree to make necessary reports, to keep adequate books and records, and to make these records accessible to the Secretary of Agriculture.



and limit labor of children between 14 and 16 years of age to 8 hours a day. Vocational students in the public schools may do practice work under supervision without violation of this provision. The contract provides that the Secretary of Agriculture, after public hearing, may determine and fix minimum wages, working hours, and the time and method of payment. It also provides that the Secretary of Agriculture may adjudicate labor and contract disputes.

There are a number of special provisions in the contract governing the treatment of adherent planters by the plantation producers. The payments to adherent planters by the plantation-producers are to be considered as an increase in the market price of sugar, in conformity with the general procedure of settlement with adherent planters on contracts with the plantations. If any disputes arise between plantation-producers and adherent planters they are to be adjudicated by the Secretary of Agriculture. Plantation-producers agree to renew contracts with their adherent planters. Non-renewal must be based on good cause and is subject to the disapproval of the Secretary of Agriculture.

The contract provides for the setting up of an advisory committee of 11 members, 10 to represent producers and one to be the representative of the Secretary of Agriculture. This committee is intended to aid in the administration of the program in Hawaii. Chauncey B. Wightman, who has been the representative of the Sugar Section in Hawaii, has been designated by Secretary Wallace to be his representative on the advisory board.

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#### 32,000 ACRES OF 1935 SUGAR BETTER ACREAGE REALLOCATED

The re-allotment of approximately 32,000 acres of unused 1935 sugar beet acreage allotments, chiefly from western drought areas, to districts where planting conditions are more favorable, has been announced by the Sugar Section of the Agricultural Adjustment Administration. The acreage re-allotted is approximately 3 percent of the total sugar beet acreage which has been allotted to producers of the United States for 1935 under the general terms of the sugar beet production adjustment contract.

The re-allotment has been made as the result of a voluntary procedure agreed to by representatives of producers and processors. This plan places acreage not wanted by certain producers for the year 1935 in a national reserve, from which it may be made available to other producers who wish to plant such acreage. This plan was developed early this year to provide a flexible method of shifting acreage allotments in order that the domestic sugar beet industry as a whole might have opportunity to plant the total acreage allotted for production of sugar beets.

The re-allotment has been made to producers in certain sugar beet districts in California, Colorado, Indiana, Kansas, Michigan, Ohio, South Dakota, Washington, Wyoming, Montana, Idaho and Wisconsin where producers have indicated their desire to plant acreage in excess of their original



allotment. The acreage re-allotted comes from acreage surrendered to the national acreage reserve from areas in which producers have indicated on April 1 that they had contracted for all the acreage upon which they desire to raise beets this year. The acreage was returned to the national reserve by certain drought-affected sugar beet districts in Utah, Idaho, southern California, Minnesota, Colorado, Nebraska, Wyoming and Michigan. In some States, acreage was surrendered by certain districts, while allocations were increased in others in the same State.

In a number of districts in Colorado, Wyoming and Nebraska weather conditions during the next few days will determine whether or not additional acreage now under contract will be surrendered to the national reserve. In some cases producers in districts served by one factory of a company have surrendered acreage that has been reallocated by the Sugar Section to the areas served by other factories of the same company.

"The surrender of a portion of this year's acreage allotments to the national reserve and the re-allotment of this acreage will have no effect upon next year's acreage allotment to the individual producer," John E. Dalton, chief of the Sugar Section said.

Under the allotment schedule, producers agreed that acreage allotments for 1935 not placed under purchase contract or acreage agreement by April 1 would be surrendered to the national reserve for re-allotment. Reports as of April 1 on land placed under purchase contract were made to the sugar section by all sugar beet districts, and the re-allotments have been made on the basis of this information.

These reports cover only acreage placed under purchase contracts or acreage agreements and do not determine finally that such acreage will be planted to sugar beets. A schedule of final dates for planting is to be developed for each sugar-beet district by representatives of the sugar section, producers and processors. In each district where acreage under contract is not planted by the final date, every effort will be made to allot this acreage to other growers in the district who may wish to plant additional acreage. If the acreage cannot then be planted, it may be returned to the national reserve for re-allotment.

The following tabulation gives the districts to which additional acreage has been allotted, the company serving that district, the original acreage allotment for each company, and the acreage allotment after adjustment to include the re-allotment:



STATE	DISTRICT	(COMPANY)	ORIGINAL ALLOTMENT	ADJUSTED ALLOT- MENT FOR 1935
<hr/>				
<u>California</u>				
	Tracy-Alvarado	(Holly)	21,237	24,250
	Santa Ana-Dyer	(Holly)	6,792	6,804
	Spreckels)			
	Manteca )	(Spreckels)	53,772	54,272
<u>Colorado</u>				
	Sugar City	(Nat'l)	5,800	6,230
<u>Idaho</u>				
	Upper Snake River	(Amalgamated)	37,960	38,500
	Valley			
<u>Indiana</u>				
	Decatur	(Central)	10,557	13,770
<u>Kansas</u>				
	Garden City	(Garden City)	13,702	14,060
<u>Michigan</u>				
	Blissfield	(Great Lakes)	13,240	15,000
	Mt. Pleasant	(Isabella)	14,541	14,929
	Holland	(Lake Shore)	4,607	5,200
	Bay City	(Monitor)	17,234	18,434
	St. Louis	(St. Louis)	8,400	9,500
<u>Montana</u>				
	Missoula	(Amalgamated)	10,714	11,800
	Sidney	(Holly)	13,630	16,714
	Chinook	(Utah-Idaho)	8,737	11,500
<u>Ohio</u>				
	Fremont	(Great Lakes)	8,963	11,000
	Findlay	(Great Lakes)	7,873	9,003
	Ottawa	(Ohio)	9,293	9,800
	Paulding	(Paulding)	12,395	13,383
<u>Wyoming</u>				
	Sheridan	(Holly)	8,544	10,495
	Worland	(Holly)	9,590	10,713
<u>Wisconsin</u>				
	Janesville	(Rock County)	6,189	6,637
	Green Bay	(Menominee)	8,416	8,500
<u>South Dakota</u>				
	Belle Fourche	(Utah-Idaho)	11,571	13,500
<u>Washington</u>				
	Bellingham	(Utah-Idaho)	4,405	6,000



#### CLOSING DATE FOR PUERTO RICAN SUGAR SIGN-UP

April 8 will be the closing date for signing production adjustment contracts in the Puerto Rican sugar program, the sugar section of the Agricultural Adjustment Administration has announced.

The 1936 grinding allotment, which is the amount of sugar from the 1936 crop that may be ground for shipment to the United States, together with local consumption, is expected to be 800,000 short tons.

The 1936 production allotment for each grower will be made in the near future. Each producer's allotment will be his pro rata share of the grinding allotment for his mill area, based on his past production in the years that he selected for determining his base production. The allotments to mill areas will be made from the total grinding allotment.

An upward adjustment of both the 1935 grinding allotment and export quota is to be made as a result of the sugar section's recent investigation of the actual sugar imports into the United States from all sugar-producing areas during the "most representative years" on which the quotas were established. Subject to final verification of the results of the investigation, Puerto Rico's quota for shipment to the United States in 1935 will be increased from 783,958 tons to 787,612 tons. The investigation also applies to the 1934 quota, which is expected to be adjusted upward from 802,842 tons to 806,583 tons. These two adjustments represent an addition of 7,479 tons to the quotas for the two-year period.

The sugar section also announced steps contemplated under the adjustment contract relating to 1936 deficiency payments in case of hurricane damage, the carrying over of "contracted sugarcane for 1935" for processing in 1936, and the obtaining of cash advances against the first 1935 sugar adjustment payment.

To protect producers unable to produce their 1936 production allotment because of hurricane damage to their sugarcane, an administrative ruling is being prepared providing for adjustment payments to such producers for 1936 upon their total allotments in terms of sugarcane. The original contracts provide for adjustment payments only on cane delivered for processing.

Where producers have sugarcane growing from the 1935 crop which they were unable to market because of the reduction program this year, they may apply, at a date to be announced in the near future, for permission to carry over such cane and apply it on their 1936 allotments. Under such permits, the carrying over of contracted sugarcane will be deemed to be in compliance with the contract provisions regarding disposal of excess 1935 sugarcane. Such permits will be granted, however, only when it can be shown that such cane, plus the expected yield of the planted cane for 1936 and the ratoons will not produce sugar in excess of the producer's 1936 allotment.



In order that growers may obtain cash loans for production purposes on their first 1935 adjustment payments before checks are received from Washington, an administrative ruling has been prepared which will permit growers to pledge this first payment against such loans. The first payment is at the rate of 60 cents a ton on the sugarcane which growers did not process because of the adjustment program. This ruling makes it possible for producers to obtain cash loans without violating the provision of the contract prohibiting assignment of the first adjustment payment. Under the ruling the first payment, as all other payments, remains non-assignable and non-attachable, except to the extent of such cash loans. Checks will be made payable to the producer but the producer may agree to pay the cash loan out of the proceeds of his first payment and he may request the Agricultural Adjustment Administration to deliver the check to whatever bank or parties he may certify as having made him such cash loan.

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#### ENTRIES OF SUGAR AGAINST QUOTAS ANNOUNCED

The quantity of sugar entered for consumption in the United States during the first three months of 1935 from Cuba, the Philippines, Puerto Rico, the Virgin Islands, and Hawaii totalled 1,440,466 short tons raw value, and has been charged against the 1935 quotas for those areas, the Sugar Section of the Agricultural Adjustment Administration has announced.

The report covering entries of sugar from January 1 to April 1 shows that the quantity entered represented 32.3 percent of the total of 4,454,019 tons admissible from those areas in 1935. In addition to giving the record of sugar entries from the above mentioned areas, the report also shows a summary of the quantity of sugar entered and certified for entry, from all foreign countries.

This report includes all sugars from Cuba, the Philippines, Puerto Rico, the Virgin Islands, and Hawaii recorded as entered and certified for entry from these areas prior to April 1, 1935. The statistics pertaining to full duty countries include in addition to the sugar actually entered before April 1, 1935, all quantities certified for entry on certifications issued prior to that date.

Since final outturn weight and polarization data are not yet available for all quantities given, this report is intended to serve as a close approximation of the position of the quotas mentioned, as of April 1, 1935.

The status of the following quotas established under General Sugar Quota Regulations Series 2 for 1935, as of April 1, 1935, is as follows:



Area	Quantity of sugar which can be ad- mitted for 1935 under General Sugar Quota Regu- lations, Series 2	Amounts charged against quotas (in tons of 2,000 pounds--96 degree equivalent)	Percent January-March Entries are of total ad- missible in 1935		Balance remaining
			27.76	24.77	
Cuba	1,857,022	515,469			1,341,553
Philippines	918,352	401,071	43.67		517,281
Puerto Rico	779,420	302,528	38.81		476,892
Hawaii	893,884	221,398	24.77		672,486
Virgin Islands	5,341	0	0		5,341
Total	4,454,019	1,440,466	32.34		3,013,553

In addition to the sugar charged against the quotas for Cuba and the other insular areas, a large proportion of the sugar which may be admitted from full duty countries was entered or certified for entry during the first three months of the year. The following table shows, in pounds, the amounts of sugar which may be admitted in 1935, the amount charged against quotas during January, February, and March, and the amount which may be admitted during the remainder of the year from the areas specified.

Area	Quantity which can be admitted for 1935	Charged against quota	Balance remaining	
			(Quantities given in pounds -- 96 degree equivalent)	
Canada	372,795	372,795		0
China	53,252	53,252		0
Hong Kong	137,117	37,990		99,127
Czechoslovakia	173,975	173,975		0
Dominican Republic	4,406,150	4,406,150		0
Dutch East Indies	139,670	70,555		69,115
France	116	116		0
Germany	77	77		0
Haiti	608,950	608,950		0
Mexico	3,985,518	1,398,690		2,586,828
Peru	7,343,561	7,343,561		0
United Kingdom	231,700	231,676		24
Unallotted Reserve	600,000	63,177		536,823
Total	18,052,881	14,760,964		3,291,917



Included in the amounts of sugar charged against the various quotas are direct-consumption sugar. The direct-consumption sugar quota is included in the total quota for each area. The following tabulation indicates the direct-consumption sugar quotas, amounts of direct-consumption sugar admitted during the first three months of 1935, as well as the amounts which may be admitted for the remainder of the year:

Cuban DIRECT CONSUMPTION sugar	(Short tons 96 degree raw value)
1935 quota	408,545
Quantity charged against quota	<u>121,147</u>
Balance remaining	287,398
Puerto Rican DIRECT CONSUMPTION sugar	
1935 quota	133,119
Quantity charged against quota	<u>42,931</u>
Balance remaining	90,188
Hawaiian DIRECT CONSUMPTION sugar	
1935 Quota	29,111
Quantity charged against quota	<u>8,448</u>
Balance remaining	20,663
Philippine DIRECT CONSUMPTION sugar	
1935 refined sugar quota	69,665
Quantity charged against quota	<u>3,178</u>
Balance remaining	66,487
1935 raw sugar quota	9,996
Quantity charged against quota	<u>9,996</u>
Balance remaining	0

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#### PRELIMINARY RESULTS OF SUGAR CONSUMPTION INVESTIGATION

The Agricultural Adjustment Administration has announced its preliminary findings following the investigation by the Sugar Section of consumption of sugar from the various off-shore producing areas in the United States for the years 1930 to 1933 inclusive. On the basis of preliminary results of the investigation, the quotas which would have been established for 1934 and 1935, if the data made available by the investigation had been used in determining such quotas, are as follows:



1934

Area	Quotas established in General Sugar quota Regulations, Series 1, 1934	Quotas on basis of current investi- gation. (short tons- raw value)
Cuba	1,901,752	1,873,498
Philippine Islands	1,015,186	1,006,348
Territory of Hawaii	916,550	950,030
Puerto Rico	802,842	806,583
Virgin Islands	<u>5,470</u>	<u>5,341</u>
Total	4,641,800	4,641,800

1935

Area	Quotas established in General Sugar Quota Regulations, Series 2, 1935	Quotas on basis of current investi- gations.
Cuba	1,857,022	1,829,432
Philippine Islands	991,308	982,678
Territory of Hawaii	894,992	927,685
Puerto Rico	783,959	787,612
Virgin Islands	<u>5,341</u>	<u>5,215</u>
Total	4,532,622	4,532,622

It is contemplated that, following final verification of the results of the investigation, the present quota regulations will be revised to give effect to the necessary adjustments. The intention to revise the quotas from time to time in the light of any additional information with respect to sugar entries that might be secured was announced May 31, 1934, when the original quotas were announced.

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## HEARING ON PROPOSED SIRUP CONTRACT AND MARKETING AGREEMENT

A public hearing on possible methods of applying the Agricultural Adjustment Act to producers of sugarcane for sirup has been set for Monday, April 15, in Montgomery, Alabama, the Agricultural Adjustment Administration has announced. The matters on which the hearing will be held are officially stated as follows:

1. The need, propriety and feasibility of a crop-reduction and benefit-payment program in connection with the commercial production of sugarcane for sirup under section 8(1) of the Agricultural Adjustment Act.



2. A marketing agreement with processors, associations of producers and others engaged in handling sugarcane for sirup, or sirup therefrom, in the current of interstate commerce under section 8(2) of the Act.
3. The Secretary of Agriculture having reason to believe that a processing tax on sugarcane used in the processing of sirups at the rate of 0.125 cents per pound of the total sugar content thereof translated into terms of pounds of raw value (being the rate determined by Sugar Regulations, Series 1, Revision 1) will cause such a reduction in the quantity of sugarcane used in the processing of sirups domestically consumed as to result in the accumulation of surplus stocks of sugarcane or sirups processed therefrom, or in the depression of the farm price of sugarcane, it will be considered at the hearing whether such results will occur in which case the processing tax on sugarcane used in the processing of sirups shall be at such rate as will prevent an accumulation of surplus stocks of sugarcane and sirups and the depression of the farm price of sugarcane.

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#### SOUTHERN RICE AGREEMENT TERMINATED

Termination of the marketing agreement for the southern rice milling industry has been announced by the Agricultural Adjustment Administration. The termination order, signed March 30 by Secretary Wallace, is effective as of April 1, 1935. This action was taken as a result of the inauguration of the 1935 production adjustment program for rice in accordance with the DeRouen amendment to the Agricultural Adjustment Act.

Termination of the agreement, however, does not in any way affect the carrying out of any incompletely completed obligations of the parties to the agreement. In order to liquidate incomplete business, the Secretary appointed the present members of the millers' committee as trustees to receive all property held or controlled by the millers' committee, to collect all sums owed the committee and to liquidate all property held by the committee. After paying all outstanding obligations, the trustees are directed to distribute equitably all remaining funds held by them, in accordance with the provisions of the agreement.

As his agents to maintain supervision over the liquidation work, the Secretary appointed Charles G. Miller, chief of the rice section, and Charles B. Howe, senior agricultural economist, Agricultural Adjustment Administration.

Members of the Millers' Committee, appointed as trustees, are J. E. Broussard, Beaumont, Tex.; F. A. Farda, Houston, Tex.; F. A. Godchaux, Jr., Abbeville, La.; P. M. Lyons, Crowley, La.; P. F. Pritchard, Houston, Tex.; George Smith, De Witt, Ark., and C. R. Walton, Stuttgart, Ark.

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## REGULATIONS FOR ADMINISTRATION OF RICE PROCESSING TAX

Regulations for the administration of a processing tax of 1 cent a pound on rough rice which, under the terms of the DeRouen amendment to the Agricultural Adjustment Act, became effective April 1, 1935, as announced by the Agricultural Adjustment Administration. The regulations, signed by Secretary of Agriculture Henry A. Wallace and approved by the President, set forth the beginning of the first marketing year, the rate of the processing tax, and conversion factors for rice. Since the amendment provides that no floor stocks tax shall be applicable to rice, the conversion factors for articles processed wholly, in chief value, or partly from rice are to determine the amount of tax imposed or refunds to be made other than on floor stocks.

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### PROCEDURE FOR ISSUANCE OF TAX-PAYMENT WARRANTS ON RICE

With a processing tax of 1 cent a pound on rough rice effective April 1, 1935, the Agricultural Adjustment Administration has announced that all arrangements have been completed to issue to eligible persons tax-payment warrants to cover the processing tax on rough rice produced in 1933 and 1934 and still in the hands of producers, processors and other persons. These tax-payment warrants will be accepted by the Bureau of Internal Revenue in payment of the processing tax. No floor stocks tax is levied under the amendment to the Agricultural Adjustment Act establishing the processing tax on rice.

Tax-payment warrants will be issued on the basis of applications filed with an agent of the Secretary of Agriculture on specially prescribed forms containing all the information necessary to establish the applicant's eligibility to receive the warrant.

The Agricultural Adjustment Administration will have agents located at Houston and Beaumont, Tex.; Lake Charles, Crowley and New Orleans, La.; Stuttgart, Ark.; Memphis, Tenn., and Berkeley, Cal. These agents have been authorized by Secretary of Agriculture Henry A. Wallace to issue tax-payment warrants. Forms for making application for such warrants may be obtained from the agents. In addition to maintaining headquarters in the cities named, the agents will contact the various mills at periodical intervals, so as to be available for the issuance of tax-payment warrants. The procedure for issuing and handling tax-payment warrants has been designed to eliminate the possibility of fraudulently securing or illegally using tax-payment warrants.

Before issuing tax-payment warrants on rough rice in the possession of processors on March 31, 1935, it will be necessary to establish the weight of such rice held by each processor. The appraisal work connected with checking of inventories of processors will be directed by experienced warehouse inspectors from the Bureau of Agricultural Economics. It will also be necessary to check the prices received by producers for the rough rice in the possession of each processor on March 31, 1935, in order to establish whether or not the processor is eligible to receive tax-payment



warrants. The Act as amended provides that warrants can be issued on such rice only if the producer has received the price prescribed in any marketing agreement, license, regulation, or administrative ruling applicable to the sale of such rice. In order to comply with this requirement, a thorough check of the processor's record will be made to establish the price paid for each lot of rice before tax-payment warrants are issued.

In the case of rough rice held by producers and other persons which is delivered for processing or sold to a processor on or after April 1, 1935, the warrants may be issued either to the producer or other person or to the processor, depending upon the circumstances of the sale and the nature of the application. In order for any rice producer to qualify for a tax-payment warrant covering rice he has produced he must participate in the 1935 rice production adjustment program, if he is eligible to do so.

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#### SOUTHEASTERN WATERMELON INDUSTRY TO ELECT COMMITTEES

The Agricultural Adjustment Administration has mailed to watermelon shippers of Florida, Georgia, South Carolina and North Carolina ballots for elections of shipper members of State advisory committees under the marketing agreement for the watermelon industry in the Southeastern States. Four committee members and their alternates will be chosen for each State. After being completed, the ballots will be returned to Porter R. Taylor, chief of the general crops section. They must reach his office not later than noon, April 20.

The election is being held by mail and under the auspices of the Adjustment Administration because of a provision in the marketing agreement allowing shippers who handle melons in more than one of the four States to vote in all of the States from which they ship. A series of election meetings would have been inconvenient to shippers voting in more than one State.

Growers who have equal representation on the advisory committees are electing their members and alternates at meetings in each State.

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#### HEARING ON ALLEGED VIOLATIONS OF TEXAS CITRUS FACT

Cases of two Texas shippers charged with violation of the license for Texas citrus fruits are scheduled for public hearings April 10 in Weslaco, Texas, the Agricultural Adjustment Administration has announced. The companies involved are the Sprowl Fruit Co. of Mission and Blue Bonnet Packers of Edinburg.



The companies recently were served notices directing them to show cause why their licenses to handle Texas citrus fruits should not be revoked or suspended. The Blue Bonnet Company is charged with shipment of unclassified grapefruit, with shipment of grapefruit without applying for or receiving an allotment, and with failure to pay assessments representing its share of the maintenance cost of the industry's control committee. The Sprowl company is charged with shipping unclassified grapefruit, with shipments of grapefruit in excess of quantities allotted it and failure to report such overshipments, and also with shipping grapefruit during certain allotment periods without applying for or receiving an allotment.

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